

# Forest and Watershed Restoration Act (FAWRA) FY22 Guidelines

## Objectives

Prioritize and fund large-scale forest and watershed restoration projects on any lands in the state that:

- increase the adaptability and resilience to recurring drought and extreme weather events of the state's forests and watersheds;
- protect surface water and groundwater sources;
- reduce the risk of wildfire, including plans for watershed conservation;
- restore burned areas and/or thin forests; and
- include related economic or workforce development projects or a wildlife conservation or habitat improvement project.

## Leverage

New Mexico's fire-adapted forests need comprehensive changes in forest structure and fuel loading to significantly alter wildfire behavior, reduce wildfire losses, ensure firefighter and public safety, and improve landscape resiliency. Conducting small scale projects is not as effective as working at the large scale, but large-scale projects are oftentimes too expensive for any one agency or landowner to undertake. One of the goals of FAWRA is to create new opportunity for interagency relationships and coordination that will lead to project efficiencies and improved outcomes. Leverage allows us to conduct restoration work at the larger scale and increase project effectiveness.

## Large Scale

Large scale projects are planned to encompass geographical features such as ridge tops to valley bottoms or watersheds. Large scale projects may cross jurisdictional boundaries such as county, federal, tribal, or private lands. For evaluation purposes, the minimum planning area for a large-scale project should be 20,000 acres, with justified exceptions considered.

Additional considerations of scale:

- The proposed FAWRA project is part of a larger scale project and/or located within a comprehensive forest and watershed restoration planning area.
- Project size is designed to increase landscape resilience to natural disturbance (e.g. fire, insects, flooding).
- The project is strategically located to impact a large part of the watershed.

## Private Lands

Private land projects must be part of a larger landscape planning effort to provide public benefit through increasing forest and watershed protection and resiliency. Private land projects must require the Forestry Division to conduct the project to achieve forest and watershed protection and resiliency. Requests for funding projects located wholly on private lands must show how the project will contribute to completion of larger landscape-scale project planning and implementation. Phased projects will require multi-year commitment by the landowner(s) and EMNRD. Requests must be reviewed and approved by EMNRD Office of General Counsel prior to submittal to the FAWRA Advisory Board.

## NEPA

Projects requiring NEPA clearance will be considered "shovel ready" if:

- Categorical Exclusion or Decision Memo is signed;
- cultural surveys are completed;
- biological surveys (if required) are completed or will be completed before contract execution; and
- if projects are located on National Forest System lands they must be: (a) outside of Mexican spotted owl (MSO) Protected Activity Centers (PACs), MSO critical habitat, and MSO recovery habitat; or (b) a

prescribed burning project with no trees greater than 9" diameter at breast height cut in MSO PACs; or are commercial firewood gathering projects outside of MSO habitat.<sup>1</sup> In the event that a settlement is reached and the injunction is lifted before the FAWRA project submittal due date, this requirement will be rescinded.

FAWRA funds may be considered for planning projects with sufficient justification and commitment to project implementation. Good collaborative planning is important because it brings more partners and funding to the table for implementation and because without it, projects stay in conceptualization and fail to deliver the anticipated acres of treatment.

### **Eligibility**

Project means "a large-scale forest and watershed restoration project on any lands in the state that increases the adaptability and resilience to recurring drought and extreme weather events of the state's forests and watersheds; protects water sources; reduces the risk of wildfire, including plans for watershed conservation; restores burned areas or thins forests; and includes a related economic or workforce development project or a wildlife conservation or habitat improvement project."

To be eligible for FAWRA funding, a project must provide a public benefit and:

- be part of a current state forest and watershed health plan or forest action plan, a community wildfire protection plan, or other comprehensive forest and watershed treatment plan or wildlife conservation improvement plan;
- incorporate actions recommended by current plans or, where new plans are developed, seek to integrate forest, fire, and water management with community and economic development plans;
- protect watersheds that are a source for drinking or irrigation water. This includes the Rio Grande and its tributaries, as well as any watershed directly upstream of a reservoir or an irrigation or acequia system; or
- target an area at high or medium/high risk of catastrophic wildfire as defined in the State Forest Action Plan; and
- have all necessary state and federal permits and authorizations, if other than a planning project.

### **Evaluation Criteria**

The Advisory Board will score projects nominated for FAWRA funding using the ranking criteria listed below. In scoring planning projects, consideration should be given to whether the project will lead to these outcomes and the expected acres to be treated as a result of the planning.

1. Project provides a public benefit and expands the scale of restoration, using the following measures of benefit by project category: (30 points)
  - a. If the project includes thinning or prescribed fire, the public benefit is the extent of fire risk reduction.
  - b. If the project includes riparian restoration, the public benefit is the extent of improvement to hydrologic conditions and riparian habitat and, if applicable, the extent of fuels reduced.
  - c. If the project includes economic development, the public benefit is provision of economic values, for example jobs or raw materials, to a rural community or communities.
  - d. If the project includes planning, the public benefit is the degree to which state funding will expedite one or more required planning steps and build upon prior investment by other agencies.

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<sup>1</sup> Projects must comply with Court Order No. CV-13-00151-TUC-RCC of the US District Court, District of Arizona or subsequent rulings.

2. Project protects watersheds that are a source for drinking or irrigation water, taking into consideration the importance of the water source as defined in the State Forest Action Plan. (30 points)
3. Project addresses utilization of materials. Select one of the following: (25 points)
  - a. Project is in an area with a wood supply that has potential utilization for one or more of the following:
    - i. traditional community uses (e.g. firewood, fencing);
    - ii. small diameter commercial products (e.g. pellets, mulch);
    - iii. conventional wood products (e.g. dimension lumber, railroad ties);
    - iv. biomass energy production (e.g. electricity, heat); or
    - v. burned area restoration or rehabilitation actions/activities utilizing green build techniques.
  - b. Project uses prescribed fire to restore or maintain resilience and does not include a utilization component. Points may be awarded if prescribed fire is the final step in a multi-entry project and previous treatments included a utilization component, or if the use of prescribed fire is required to protect valuable timber resources.
4. Project leverages other funding sources and/or creates an incentive for others to make investments. (15 points)

#### **Project Submission Process**

Partners shall recommend projects to the applicable EMNRD Forestry Division district office. Project partners must work with district staff to ensure the recommended project meets eligibility requirements. Ideally, the process would start far in advance of the call for project recommendations, to allow for project development and secure partners' commitments (financial/organizational investments, or to meet logistical/operational needs).

The Division will present eligible projects to the FAWRA Advisory Board. The Division may choose to partner with governmental entities and have them carry out the project when the project is on governmental owned lands. See timeline below.

#### **Project Review Process**

Forestry Division staff, in coordination with EMNRD Office of General Counsel, will vet projects and resolve any outstanding issues before presenting eligible projects to the Advisory Board.

District Foresters and partners (if applicable) will present projects to the FAWRA Advisory Board at its April 16 meeting. Presentations should minimize text and incorporate maps, photos, and/or other images required to adequately describe the proposed project. Presentations will be subject to a 5-minute time limit.

The Advisory Board will make final recommendations for project funding to the Forestry Division.

#### **Timeline for Review Process**

October 6, 2020 – FAWRA Advisory Board meeting with vote on FY22 Guidelines.

October 13, 2020 – FY22 Guidelines are released with call for nominations.

March 1, 2021 – Final date for project recommendation submittals. All submissions are made through the Forestry Division.

March 2021 – Forestry Division conducts review of projects with EMNRD Office of General Counsel.

April 1, 2021 – Final date for project revision.

April 10, 2021 – Project packets delivered to FAWRA Advisory Board.

April 16, 2021 – FAWRA Advisory Board meeting with project presentations by District Foresters and partners.

May 12, 2021 – FAWRA Advisory Board project scoring deadline.

May 14, 2020 – FAWRA Advisory Board meeting for project ranking.

July 1, 2021 – FAWRA funds transferred by Office of the State Engineer to EMNRD.

### **Implementation Process**

EMNRD Forestry Division will develop project work plans with the sponsor or partnering organization, if applicable. The Forestry Division will advertise and hire project contractors following the state procurement code or may establish agreements with government agencies, tribes, pueblos and nations.

Non-governmental project partners may not receive funds; however, funds may be used for project proponent match if the need for match is specifically detailed in the project submittal.

Forestry Division staff will oversee and report on project implementation.

### **Reporting**

EMNRD Forestry Division will provide an annual report to the FAWRA Advisory Board detailing year-to-date progress made on each project 90 days prior to the New Mexico Legislative Session.

Annual reports will include:

- a) Project name
- b) Type of project
- c) Project status (workplan/contract pending, ongoing, completed)
- d) Project location: geographic location, landownership, Forestry Division district
- e) Leverage (source and amount)
- f) Funding (expended to date, balance)
- g) Target metric (e.g. acres or river miles treated, plans produced, feasibility study or survey completed)
- h) Metric accomplished (number or percent completion)
- i) Landscape priority factor (e.g. fire risk, watershed productivity)
- j) Sponsor or partnering agency/organization
- k) Best outcome delivered by this project achieved to date
- l) Challenge encountered/lesson learned.

(Items (a) through (j) are compiled quarterly. Items (k) and (l) are provided by the District Forester and partners once a year for the Annual Report.)

EMNRD Forestry Division will provide a semi-annual update to the FAWRA Advisory Board at the July 15, 2021 meeting.